

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-02 INR-07

L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15

USIA-15 AID-05 COME-00 EB-08 FRB-01 TRSE-00

XMB-04 OPIC-06 LAB-04 SIL-01 OMB-01 /102 W

-----072749 041112Z /10

R 032120Z AUG 77

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 5997

INFO AMEMBASSY QUITO

/AMEMBSSY LA PAZ 3763

AMEMBASSY SANTIAGO

UNCLAS LIMA 6511

E.O. 11652: N/A

TAGS: ECON, PE

SUBJECT: MORE ECONOMIC MEASURES ANNOUNCED

REF: A) LIMA 6458; B) LIMA 4852

1. PERUVIAN GOVERNMENT, IN CONTINUATION OF PIECEMEAL PUBLICATION OF NEW ECONOMIC MEASURES (REF A), MADE FURTHER ECONOMIC POLICY ANNOUNCEMENTS ON AUG. 3. THESE INCLUDED A FLAT MONTHLY WAGE INCREASE OF 810 SOLES FOR ALL WORKERS IN THE PKZLIC OR PRIVATE SECTORS EARNING LESS THAN 18,000 SOLES (\$223) PER MONTH. WAGE INCREASE INCLUDES THOSE NOT PREVIOUSLY ELIGIBLE FOR ACROSS-THE-BOARD RASISES, E.G. WORKERS WHOSE SALARIES ARE SUBJECT TO COLLECTIVE BARGAINING, THOSE WHOSE PAY IS AUTOMATICALLY ADJUSTED IN RELATION TO THE COST OF LIVING (PRIMARILY THE TEXTILE WORKERS), AND TO THOSE WHOSE NEGOTIATED PAY INCREASES WERE FROZEN IN JULY 1976.

2. MINIMUM WAGES (FIXED BY REGION) WERE RASIED AS WELL. IN LIMA THE CHANGE WAS FROM 4,500 SOLES PER MONTH TO 5,400 SOLES. FOR AGRICULTURAL WORKERS THE CHANGE WAS FROM 3,450 TO 4,410 SOLES MONTHLY, OR TO 138 SOLES FOR UNCLASSIFIED

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DAY LABOR.

3. FINALLY, THE GOVERNMENT ELIMINATED THE EXISTING LIMITS ON WAGE INCREASES THAT MAY BE NEGOTIATED IN THE FUTURE. HOWEVER, POTENTIAL CONTROLS STILL EXISIT IN THAT THE MANAGEMENT OF A FIRM MUST SUBMIT NEGOTIATED WAGE INCREASES TO THE MINISTRY OF LABOR FOR APPROVAL. APPROVAL OF SUCH

INCREASES WILL BE BASED AT LEAST THEORETICALLY ON THE PRODUCTIVITY AND FINANCIAL SITUATION OF THE FIRM. PUBLIC ENTERPRISES AND THOSE IN WHICH STATE OWNERSHIP IS MORE THAN 30 PERCENT WILL ONLY BE AUTHORIZED WAGE INCREASES IN EXCEPTIONAL CIRCUMSTANCES.

4. IN ADDITION TO WAGE INCREASES, GOP ALSO ANNOUNCED INCREASES IN EXCISE TAXES ON DOMESTIC AND IMPORTED ALCOHOLIC BEVERAGES.

5. COMMENT: FACT THAT RHETORIC ACCOMPANYING WAGE INCREASES STRESSED NEED FOR "SOCIALLY RESPONSIBLE" INCOMES POLITICS HAS LED SOME OBSERVERS TO PREDICT THAT FURTHER GOP SUBSIDIES ON BASIC FOODSTUFFS MAY BE ANNOUNCED SOON.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC PROGRAMS, COST OF LIVING WAGE ADJUSTMENT
Control Number: n/a
Copy: SINGLE
Sent Date: 03-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LIMA06511
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770279-0597
Format: TEL
From: LIMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197708102/aaaadiqu.tel
Line Count: 77
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: b68a144f-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 LIMA 6458, 77 LIMA 4852
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 03-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1406587
Secure: OPEN
Status: NATIVE
Subject: MORE ECONOMIC MEASURES ANNOUNCED
TAGS: ECON, PE
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/b68a144f-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009